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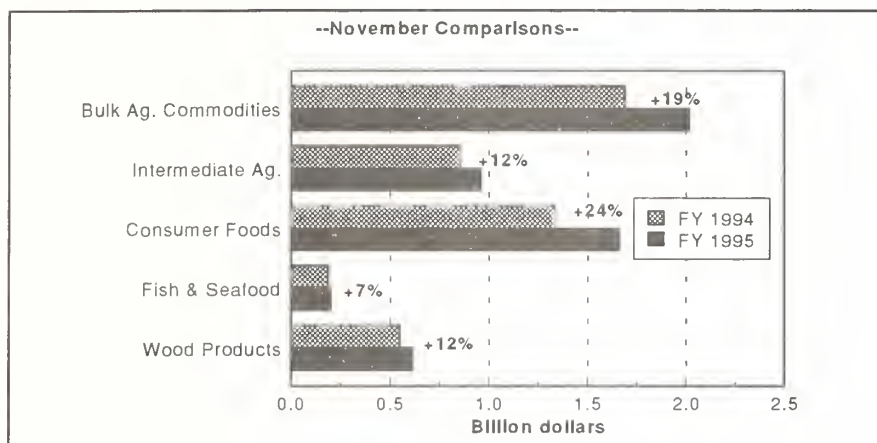


# Agricultural Trade Highlights

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## Exports Up 18 Percent in November

*Ag, Fish & Forest Products Record Highest Monthly Level Ever*



November trade statistics released on January 19 by the Commerce Department placed the value of U.S. agricultural, fish, and forest product exports at \$5.5 billion, an 18-percent increase compared to November 1993. Agricultural exports alone totaled \$4.7 billion, the highest monthly total on record. Exports rose 19 percent over year ago levels, with bulk, intermediate, and consumer-oriented exports all registering double digit gains. Fish and forest product exports totaled \$823 million in November, up 10 percent from November 1993.

November's shipments bring the fiscal 1995 year-to-date total of U.S. agricultural, fish, and forest product exports to \$10.7 billion, \$1.4 billion higher than the same period last year. Agricultural exports were the best performers, growing 16 percent over last year to \$9 billion. All three categories, bulk, intermediate, and consumer-oriented products, registered gains over last year. Exports of fish and forest products grew 9 percent over the first two months of last year to \$1.7 billion.

At \$2 billion, U.S. exports of *bulk commodities* increased 19 percent in

November over last year. Exports of all products except soybeans rose with sharp gains seen in rice, cotton, and coarse grains. Exports of U.S. rice expanded by 71 percent due to increased demand from Brazil and Europe. U.S. cotton exports increased 110 percent over November last year, caused mainly by sharply higher sales to China. Coarse grain sales were \$105 million higher than November last year. With two months of data, bulk commodity exports totaled \$3.8 billion, up 15 percent over the same period last year with all commodities registering gains.

U.S. exports of *intermediate products* reached almost \$963 million in November, up 12 percent from the same month last year. Strong gains in exports of soybean oil more than offset a 29-percent decline in soybean meal exports. Other notable increases were registered in animal fats and hides and skins. For the first two months, intermediate product exports also rose 12 percent to \$1.9 billion.

Strong growth in exports of *consumer-oriented products* continues, with sales for November totaling \$1.7 billion, 24 percent ahead of levels during the same

month last year. Exports rose in all product categories except dairy products. Double-digit increases were registered in exports of red meats, wine and beer, poultry meat, pet foods, fresh vegetables, juices, eggs and products, fresh fruit, and breakfast foods. November's performance brought consumer food exports for the first two months of fiscal 1995 to \$3.3 billion, up 20 percent from the same period in fiscal 1994.

At \$206 million in November, edible *fish and seafood* exports rose 7 percent over the same month last year. Increases in lobster, cod, and salmon more than compensated for a decline in crab meat exports. U.S. fish and seafood exports finished the first two months of fiscal 1995 at \$489 million, up 16 percent from the previous year.

U.S. *forest product* exports rose to \$617 million in November, up 12 percent from November last year. Exports of logs led the category, increasing 47 percent over the same month last year. U.S. exports of forest products rose 7 percent over the first two months of fiscal 1994 with shipments totalling \$1.2 billion.

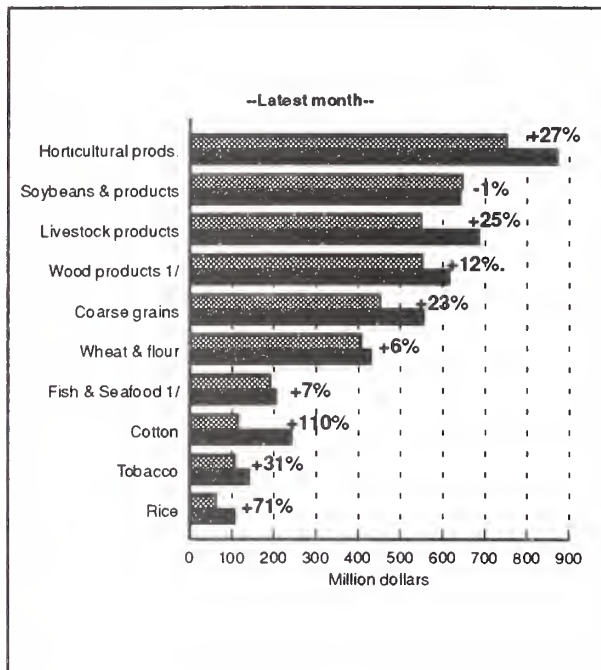
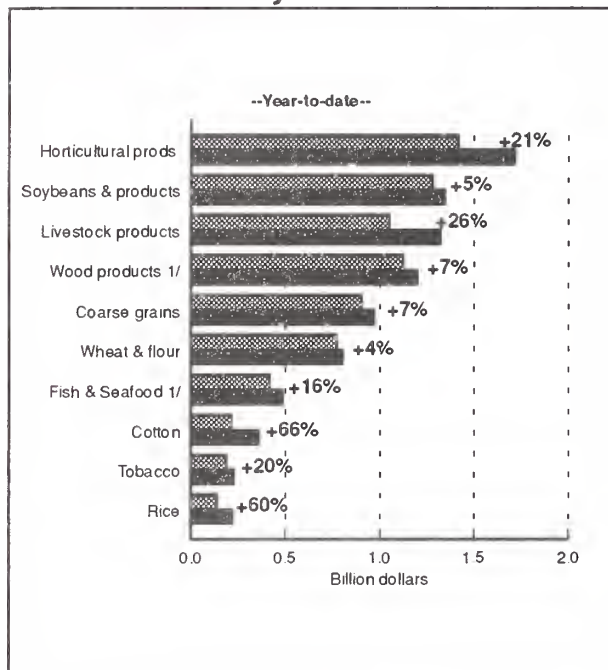
### Inside This Issue...

	Page
Consumer Food Highlights	3
COUNTRY SPOTLIGHT:	
South Africa	5
PRODUCT SPOTLIGHT:	
Spices and Herbs	9
Trade Policy and	
Market Updates	11
U.S. Agricultural Exports:	
By Commodity Type	15
By Commodity Group	16
By Region	17
Foreign Exchange Rates	18

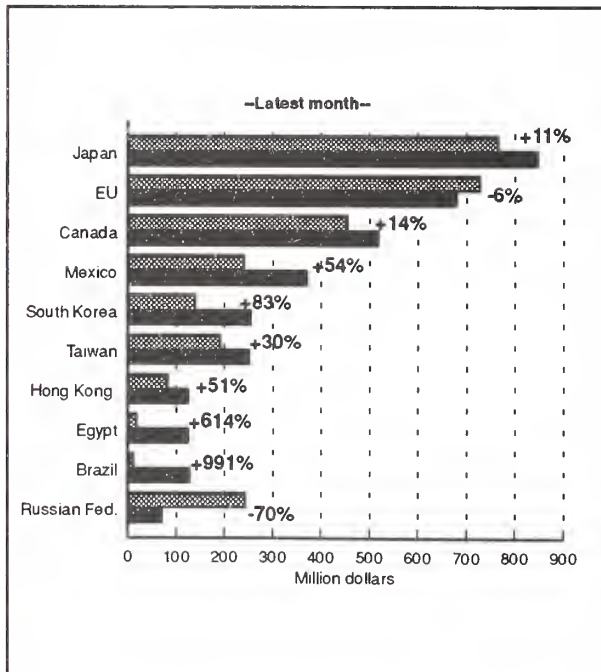
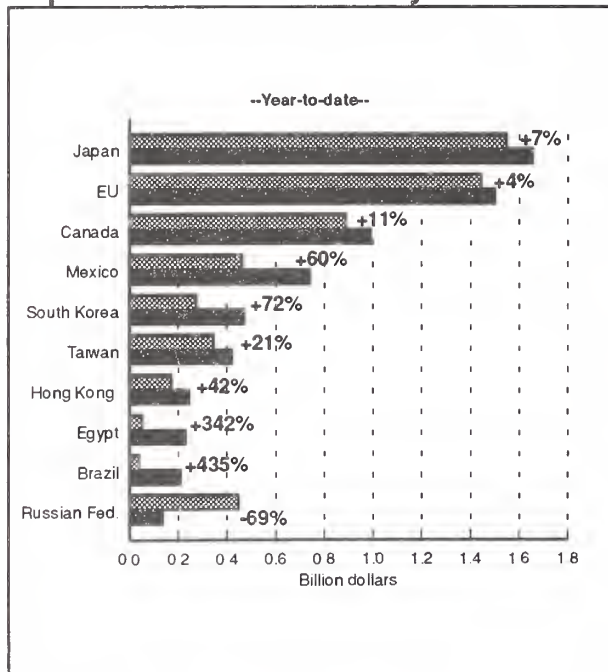
# U.S. Agricultural Export Summaries

October-November and Latest Month Comparisons  FY '94  FY '95

## Product Summary



## Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.

1/ Not included in agricultural totals.



# Consumer Food Highlights

*U.S. consumer food exports reached \$15.4 billion for the first eleven months of 1994. With one more month to go, this is already a new record high for the category and 13 percent ahead of the same period in 1993. Of the products highlighted this month, fresh fruit, juices, wine and beer, and breakfast foods are already at new record levels for the year.*

Exports of *chilled and frozen red meats* reached \$3.1 billion for the first eleven months of 1994, 10 percent ahead of the same period last year. The Pacific Rim is the dominant market, accounting for 69 percent of all red meat exports. Japan remains the largest market with 59 percent of red meat sales or 3 percent ahead of the same period last year. The high growth regional markets in Asia are the Four Tigers and ASEAN-4 where sales are more than 40 percent higher than last year. Exports to South Korea reached \$219 million, a 48-percent increase over the same period last year. Red meat sales to North America reached \$732 million, 26-percent higher than last year.

U.S. shipments of *fresh fruit* reached an annual record of \$1.8 billion in the first eleven months of 1994, 15 percent higher than 1993's record-setting pace. Sales to four of the top five markets set records. Exports to Japan reached a record \$458 million, 17 percent higher than the previous year. Grapefruit, oranges and cherries were the leading fruits shipped, with sales 20 percent or greater. Shipments to Taiwan rose 52 percent to reach a record \$170 million, with apples, plums, and grapes the strongest sellers. Exports to Mexico reached a record \$149 million, led by apples, pears, and grapes.

*Processed fruit and vegetable* exports totaled \$1.6 billion for the first 11 months of 1994, up 4 percent from the same period last year. Frozen strawberries (\$34.5 million), raisins (\$184.5 million) and jams and jellies (\$16.1 million) were the largest gainers in the fruit category, all with double-digit increases over last year at this time. Growth in frozen potato products, mainly french fries, has been the highlight of the vegetable category. Exports reached a record of \$172

million from January-November, a 22-percent increase from last year. New records have already been set this year in ten of the top twelve french fry markets. Other products showing growth over the period include sweet corn, dried/powdered onions, potato flakes/granules, and dried soups.

Eleven-month figures for 1994 show overall *dairy product* exports, totalling \$677 million, are down 12 percent from the same period last year. This is primarily due to a slow start in milk powder sales earlier in the year under the Dairy Export Incentive Program. However, ice cream continues to be a bright spot for the category. U.S. ice cream exports reached a record \$78 million as of November, 25 percent ahead of last year at this time. Japan and Mexico have been the strongest growth markets.

Exports of *fruit and vegetable juices* reached a record \$498 million in the first eleven months of 1994, 15 percent ahead of the same period in 1993. Growth in juice sales were led by rising frozen orange juice shipments to Canada, Japan and the EU. Tomato juice continues to be the leading juice shipped to Mexico. Rising apple juice sales have led growth in South Korea.

Exports of *wine and beer* were a record \$493 million from January-November of 1994. This is 40 percent ahead of the same period last year. While wine exports are up slightly, most of the category's growth continues to be due to explosive beer sales, particularly to Japan. Beer exports to all markets reached a record \$321 million for the January-November period, 60 percent ahead of last year at this time. Driven by last summer's heat wave and retail discounting, exports to Japan are 168 percent higher at a record \$150 million

so far this year. Other record-breaking beer markets include Hong Kong, Mexico, and Taiwan.

*Breakfast food* exports reached a record \$108 million in the first eleven months of 1994, 22 percent higher than the same period in 1993. Four of the top five markets set annual sales records. Forty percent of breakfast cereal shipments go to Canada. Despite a weak Canadian dollar, exports set a record \$108 million, 22 percent higher than the same period in 1993. Breakfast cereal exports doubled to Singapore, reaching a record \$7 million. The large number of Americans residing in Hong Kong has contributed to a 334-percent rise in breakfast food sales which reached a record of \$5.4 million.

*Nursery product* exports were \$180 million for the first eleven months of 1994, down 8 percent from this time last year. While \$95 million in sales to Canada, the leading market, were slightly higher during the period compared to last year, shipments to the EU were off 34 percent. Most of this decline came in the Netherlands and Germany, particularly for foliage. Exports to Mexico of nearly \$10 million were a lively 33 percent ahead of their 1993 level at this time. Major items showing increases to Mexico included tree shrubs and bushes bearing edible fruit or nuts (33 percent), rose plants (200 percent), and prepared cut flowers and buds (89 percent).

Exports of *eggs and products* reached \$151.2 million for the first eleven months of 1994, a 19-percent increase over last year. Sales have risen across the board in virtually all products. Overall sales to Canada are already at a new record of \$35.2 million, 18 percent ahead of last year at this time, mostly due to a 35-percent increase in hatching eggs. Overall exports are up nearly 30 percent to Japan and 62 percent to Mexico. Hong Kong is on track to set a new record by year's end.

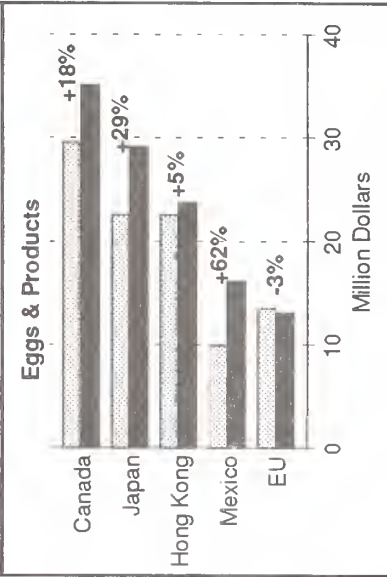
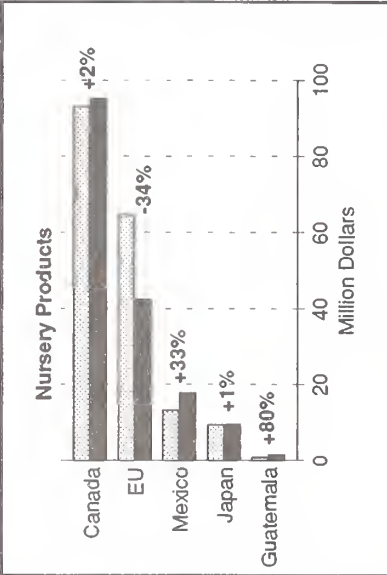
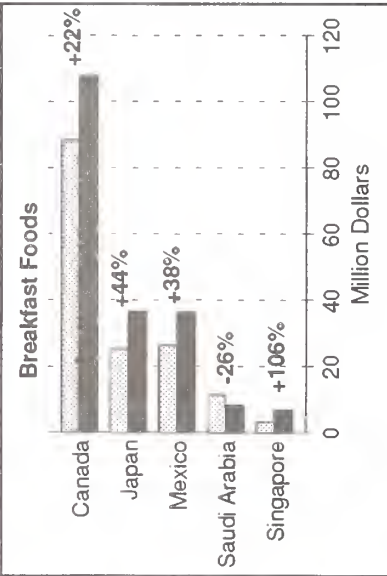
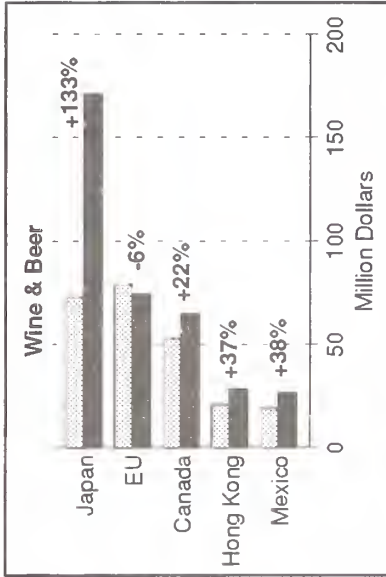
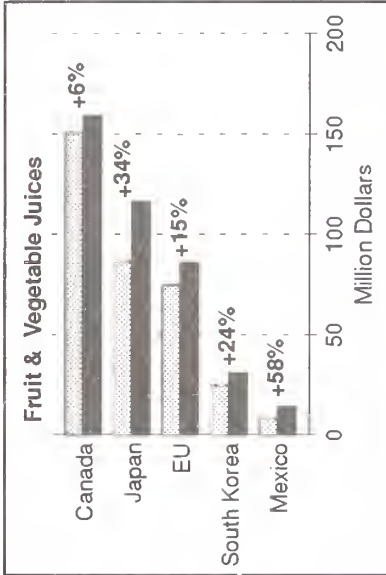
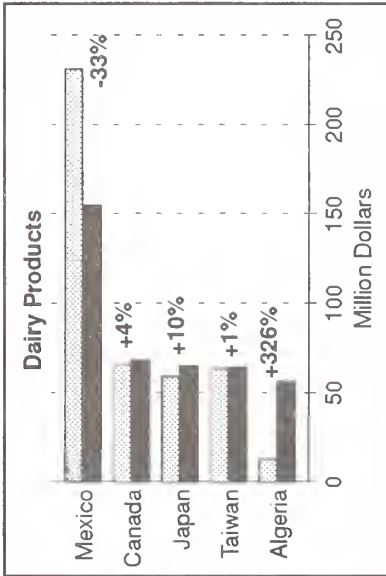
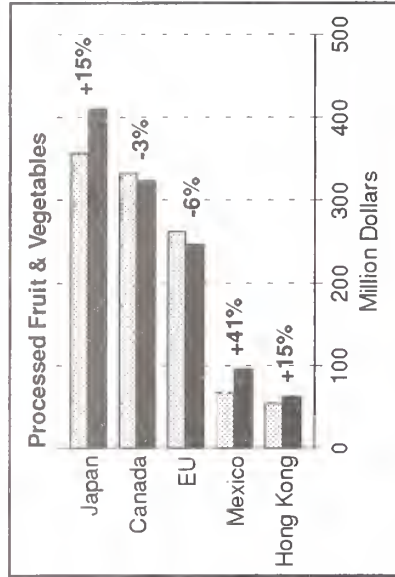
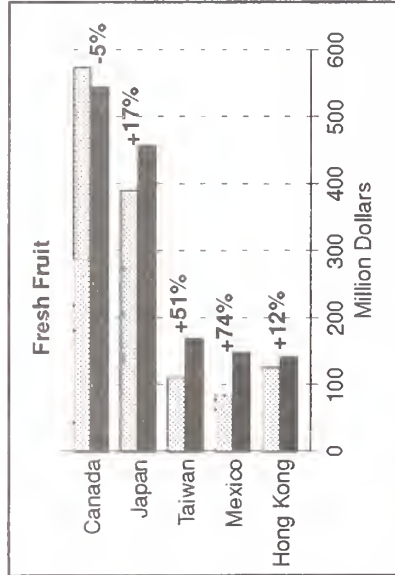
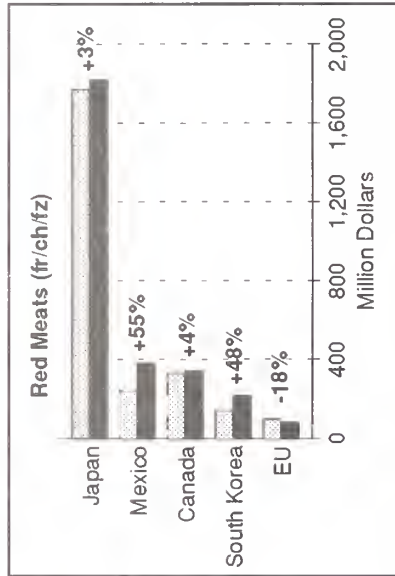
*For more information, contact Karen Halliburton at (202) 690-0553.*

# Top Five Markets for Selected U.S. Consumer Foods

January Through November Comparisons

CY '93

CY '94



Percentages are computed as the change from 1993 to 1994. Countries are ranked from highest to lowest based on full CY 1993 exports.



# Country Spotlight: South Africa

*The long-awaited democratic election in 1994 ushered in a new era for South Africa. As the most industrialized country on the African continent, it is in a real sense the economic engine of sub-saharan Africa and may hold the key to future development and marketing opportunities in the region.*

**By David Pendlum and Sampson Amofo**

South Africa's dualistic economy offers an interesting market profile. Many of the white population and a small percentage of the nonwhite population enjoy incomes and standards of living equal to those in Western Europe. Demand is strong for pre-packaged consumer-ready foods among this segment of the population. In contrast, most of the remaining population suffer from poverty patterns characteristic of low-income developing countries, including high unemployment, low education and job skill levels, and a diet consisting mainly of locally produced staples. Consequently, demand within this segment of the population is geared toward bulk commodities.

## **Trends Favor Processed Foods and Forest Products**

Recent trends suggest U.S. food processors and forest product manufacturers may be in the best position to capture additional sales in the future. U.S. export data for the 5-

year period, 1989 to 1993, show rapid growth in these product categories. Within the consumer-oriented product category, shipments of processed fruits and vegetables increased by 155 percent, snack foods by 158 percent, breakfast cereals and pancake mix by 186 percent, wine and beer by more than 1,500 percent, and pet foods by more than 4,700 percent. Lumber and plywood-and-panel products were the forest product items in demand, increasing by 72 percent and 98 percent, respectively.

Much of the recent sales growth in U.S. consumer-ready foods is undoubtedly related to pent-up demand following the lifting of trade and financial sanctions against South Africa. However, opportunities may increase in the future, as disposable incomes rise among the nonwhite population and an increasing number of women enter the labor force. South African demand for U.S. forest products also should rise, as the new government increases spending on housing in the homelands.

## **Geographical Profile**

Situated on the southern-most tip of the African continent, South Africa is about 1 ½ times the size of Texas, with a population of 40 million and average per capita income of about \$2,800 (1994 estimates). Its rich endowment of mineral resources is the mainstay of the economy, generating about two-thirds of export revenues. Primary exports are gold, diamonds, platinum, and coal. About 10 percent of South Africa's land is arable, and its temperate climate provides ideal conditions for crop production. Consequently, it is a major agricultural producer and supplier to its neighbors and is self-sufficient in the production of staple commodities in normal crop years.

Because South Africa is a major producer and exporter of bulk commodities (mainly corn), opportunities are limited and usually come about because of crop failures. For example, in 1992 and 1993, South Africa suffered an almost complete crop failure because of drought. At the peak of the drought in 1992, U.S. exporters shipped \$468 million worth of agricultural commodities. Almost all of the increased sales were bulk commodities, specifically corn, wheat, and soybeans.

## **South Africa Is Relatively Open Market Economy**

By world standards, South Africa's market is relatively open. The economy is well-diversified and generates about 95 percent of its national income from the services and manufacturing sectors. Although the agricultural sector comprises only 5 percent of national income, it is insulated from direct market competition by an extensive system of import tariffs, quantitative import controls, and commodity marketing

## **Growing Potential for U.S. Consumer Foods in South Africa**

	<u>1989</u>	<u>1993</u>	<u>Growth</u>
	Million		
Pet Food	\$16	\$774	4,700%
Wine & Beer	\$11	\$177	1,500%
Breakfast Foods	\$160	\$458	186%
Snack Foods	\$277	\$715	158%
Processed Fruit & Vegetables	\$1,147	\$2,920	155%
Plywood & Panel Products	\$1,432	\$2,838	98%
Lumber	\$12,781	\$21,960	72%

## ...South Africa

boards. Importers are required to obtain an import permit for most agricultural products from either the South African Department of Agriculture or the South African Department of Trade and Industry.

South Africa is proceeding with economic and trade reforms aimed at reinstating the country as a full-fledged member of the international trading community after years of isolation attributable to international sanctions. As an active participant in the General Agreement on Tariffs and Trade (GATT) Uruguay Round negotiations, the South African government is expected to ratify both the agreement and its accession from the GATT to the World Trade Organization (WTO) in the first quarter of 1995.

As a part of South Africa's commitment to liberalizing trade, the controlled marketing of agricultural products, and especially quantitative import controls, will be replaced by an import tariff system. However, state commodity boards continue to control import permits for major grains and dairy products.

### Distribution Channels Vary Depending on Type of Commodity

The bulk commodity trade is controlled by a few large millers and processors, who operate not only in South Africa but in many adjoining countries. Because South Africa is a major producer and exporter of bulk commodities to its neighbors and a financial hub for the region, forming business relationships with the millers and processors may offer low-risk opportunities for expanding trade within the region. The food retailing industry is dominated by four major supermarket chains. Several independently owned supermarkets, regional chains, and numerous mom-and-pop stores also operate in South Africa. An additional point of contact is the more than 18,000 caterers who provide food services to the country's large mining companies.

### South Africa Recovering from Long Recession

The South African economy is recovering from a protracted 3-year recession (1989-93). Major contributing factors to the recession were prolonged drought in southern Africa; sagging demand for the

country's primary commodity exports (gold, diamonds, coal, and platinum); and a decline in real fixed investment because of economic sanctions and political uncertainty. Following sluggish growth in 1993, economic fundamentals and real fixed investment began to pick up in 1994. The consensus of South Africa watchers is that economic growth will accelerate in the next few years, averaging as high as 4 percent in 1995.

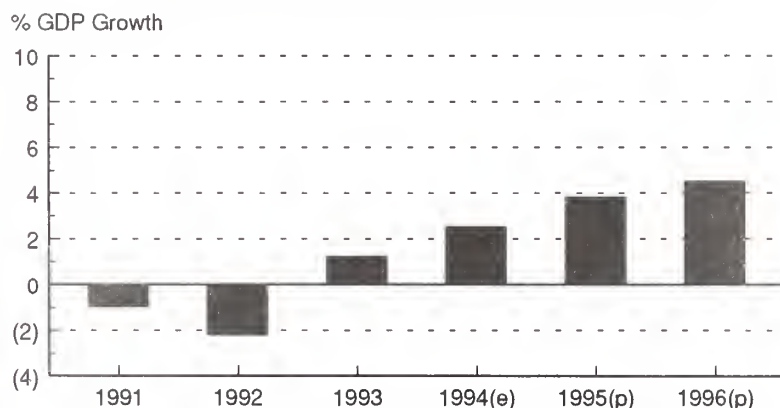
Four key macroeconomic indicators warrant special attention in South Africa: the unemployment rate, per capita income distribution, inflation rate, and the central government's budget. Each of these four variables has the potential to either improve or undermine the economic fundamentals enough to alter future economic growth projections.

Unemployment and/or underemployment is South Africa's greatest structural problem. Most investment in the country in the past decade was capital-intensive. This precluded any significant increase in employment, despite a rapidly growing labor force. The American Embassy in Pretoria estimated the overall unemployment rate to be about 45-46 percent in 1994.

This highlights the highly dualistic nature of the economy, as do estimates of per capita income distribution. The Embassy in Pretoria estimated the average annual per capita income level for the total population at about \$2,800 in 1994, but cautioned official estimates on population are unreliable. This may explain the wide variation in income range from different sources; estimates among the white population range from \$5,000 - \$6,000, and among blacks, from \$0 - \$400.

Tight monetary policy has thus far kept inflationary pressures in check. In fact, the inflation rate dipped into the single

### South African Economy Improving... Growth to Accelerate in '95 and '96



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## ...South Africa

### USDA Offers Regional GSM Credit Facility To Spur Trade in Southern Africa

To facilitate U.S. agricultural exports to the southern Africa region, the U.S. Department of Agriculture authorized \$100 million in credit guarantees in connection with sales of U.S. agricultural commodities to private sector entities in several countries in southern Africa for fiscal 1995. Countries included in the authorization are Angola, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Uganda, Zambia, and Zimbabwe. Commodities covered by the authorization include wheat, vegetable oils, pulses, soybeans, wheat flour, feed grains, breeder livestock, frozen and chilled poultry meat, frozen and chilled salmon, and tallow, grease and/or lard.

It should be noted that many of the countries covered under the authorization are low-income high-risk developing countries. Under the regional program, only banks pre-approved by the Commodity Credit Corporation (CCC) in the countries of South Africa, Namibia, Botswana, Zimbabwe, or Mauritius may issue letters of credit on behalf of importers. However, importers may designate their purchases to be shipped to any of the countries listed as markets. The program is specifically designed to mitigate credit risk to the U.S. business and financial communities, and to create economies of scale in financing, purchasing, and transportation arrangements for southern African importers. It also encourages local entrepreneurs to develop the private sector in countries in the region traditionally dominated by the public sector.

The guarantee was issued under the Commodity Credit Corporation's Export Credit Guarantee Program (GSM-102). Coverage of up to 98 percent of the principal is offered on credit terms of from 90 days to three years. Interest coverage is limited to a rate equal to 55 percent of the most recent 52-week Treasury bill investment rate, as established on the date of export and adjusted at each interest and/or principal due date thereafter.

digits in 1993 and 1994. However, the inflation rate may accelerate in 1995 and 1996 as employers come under increasing pressure to support South Africa's underclass through higher wage rates and as pressures increase to scrap the country's dual exchange rate system. Some sources estimate the inflation rate could rise to 14-15 percent by 1996.

Efforts to curtail South Africa's expansionary fiscal policy may meet limited success in the short- to medium-term, given current political realities. The country's expanding central government budget illustrates the fragile balance that must be maintained in mitigating the black population's expectation of rapid improvement in their economic well-being, and the concerns of the white population who hold most of the wealth needed to sustain South Africa in the near- term.

### Balance of Payments Picture Is Misleading

South Africa's trade and current account balances have weakened considerably

since the beginning of the decade and are expected to continue their slide over the next couple of years. The silver lining in this negative trend is that South Africa's external account imbalance is being fueled by the country's improved international standing and ability to attract large inflows of foreign capital. In 1994, it received an investment grade rating of BAA3 by Moody's Investors Service, the U.S. credit rating agency.

South Africa has a very low debt level relative to the size of its economy. By international standards, its capacity to service additional debt will be limited by a heavy repayments burden, but nonetheless should remain manageable in the near- to medium-term future.

In the final analysis, the most attractive opportunities for U.S. agricultural exporters may be in using South Africa's well-developed financial system to launch regional market development programs for products that complement or supplement its home-produced commodities. Capitalizing on such

opportunities will require U.S. business people to develop closer ties with the South African business and financial communities.

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*Louis Stockard, of the Asia, Africa, and Eastern Europe Division, FAS, also contributed to the article.*

# U.S. Exports of Agricultural, Fish & Wood Products to SOUTH AFRICA

Calendar Years 1989 to 1994 and Year-to-Date Comparisons

(Thousands of Dollars)

Product	Calendar Years					January - November		% Chg
	1989	1990	1991	1992	1993	1993	1994	
<b>Bulk Agricultural Total</b>	30,704	48,979	52,377	431,161 *	211,743	210,854	79,588	-62.3%
Wheat	0	13,560	0	8,194	85,654 *	85,654 *	37,318	-56.4%
Coarse Grains	8	0	1,853	378,913 *	78,018	78,018	232	-99.7%
Rice	29,938	34,081	44,775	41,487	36,989	36,105	40,003	10.8%
Soybeans	0	0	0	2,233	11,818 *	11,818 *	0	-100.0%
Cotton	0	532	0	147	368	368	596	82.0%
Tobacco	169	7	1,018 *	148	50	50	35	-30.0%
Pulses	299	209	168	1,561	543	543	1,057	94.7%
Peanuts	13	285	4,438 *	206	86	86	101	17.4%
Other Bulk Commodities	278	304	126	271	217	212	247	16.5%
<b>Intermediate Agricultural Total</b>	16,305	20,937	17,114	17,250	17,419	16,045	23,379	45.7%
Wheat Flour	0	0	0	0	0	0	0	NA
Soybean Meal	0	0	0	0	0	0	27	NA
Soybean Oil	149	2,978	0	451	22	22	0	-100.0%
Other Vegetable Oils	1,179	700	1,297	790	691	671	155	-78.9%
Feeds & Fodders (excl pet foods)	1,084	636	953	981	1,405	978	3,294	236.8%
Live Animals	429	1,192	1,842	2,178	337	337	1,198	255.5%
Hides & Skins	0	165	50	4	36	36	312	768.7%
Animal Fats	1,121	2,358	8	337	353	353	873	147.3%
Planting Seeds	6,037	5,282	6,569	5,438	4,083	3,892	2,724	-26.2%
Sugars, Sweeteners & Bever. Bases	80	139	36	504	524	466	3,077	560.3%
Other Intermediate Products	6,227	7,490	8,360	8,566	9,968	9,491	11,719	23.5%
<b>Consumer - Oriented Agricultural Total</b>	9,194	10,126	12,861	19,337	12,986	11,920	20,819 *	74.7%
Snack Foods (excluding nuts)	277	412	528	812	715	669	1,489 *	122.8%
Breakfast Cereals & Pancake Mix	160	283	338	533 *	458	421	305	-27.6%
Red Meats, Chilled/Frozen	48	90	60	194	188	188	474	152.1%
Red Meats, Prepared/Preserved	426	333	815 *	518	83	83	98	18.1%
Poultry Meat	1,031	1,406	557	6,214	1,187	1,047	7,118 *	579.8%
Dairy Products	2,812	3,332	5,779 *	5,517	3,019	2,992	3,000	0.3%
Eggs & Products	63	18	0	0	0	0	15	NA
Fresh Fruit	25	33	92	353 *	29	29	29	0.0%
Fresh Vegetables	45	300	305 *	47	213	210	43	-79.5%
Processed Fruit & Vegetables	1,147	1,409	1,654	2,004	2,920	2,566	2,325	-9.4%
Fruit & Vegetable Juices	0	5	48	31	101	101	385 *	281.2%
Tree Nuts	2,349	1,725	2,034	1,741	2,199	1,804	2,107	18.8%
Wine and Beer	11	0	0	102	177	166	453 *	172.9%
Nursery Products & Cut Flowers	54	19	125	217 *	59	59	106	79.7%
Pet Foods, Dog/Cat	18	7	18	40	774	746	874 *	17.2%
Other Consumer - Oriented Products	930	755	709	1,016	883	838	1,997	138.3%
<b>Wood Products Total</b>	15,139	13,426	19,953	19,841	25,295	23,415	25,729 *	9.9%
Logs	130	55	53	8	40	0	1,029 *	NA
Lumber	12,781	11,620	15,582	16,732	21,960 *	20,220	20,289	0.3%
Plywood & Panel Products	1,432	781	2,642	1,985	2,838	2,761	3,927 *	42.2%
Other Wood Products	795	969	1,878	1,116	458	434	484	11.5%
<b>Fish &amp; Seafood Products Total (Edible)</b>	1,030	959	1,218	1,637	1,247	1,142	1,066	-6.7%
Salmon, Whole/Eviscerated	373	505	503	992	338	316	175	-44.6%
Salmon, Canned	0	0	492	95	181	161	63	-60.9%
Crab & Crabmeat	0	3	8	23 *	0	0	0	NA
Surimi (fish paste)	0	0	0	0	0	0	0	NA
Roe & Urchin	22	22 *	0	0	0	0	0	NA
Other Edible Fish & Seafood Products	635	428	215	527	748	665	828	24.5%
<b>Agricultural Product Total</b>	56,203	80,042	82,352	467,748	242,148	238,819	123,786	-48.2%
<b>Agricultural, Fish &amp; Wood Product Total</b>	72,372	94,427	103,523	489,226 *	268,690	263,376	150,581	-42.8%

Note: (\*) Highest export level since at least 1970.

Source: Trade & Marketing Analysis Branch, TEAD/ITP/FAS

# Product Spotlight: Spices and Herbs

During the past five years, U.S. spice and herb exports doubled to a record \$53 million. The major U.S.-grown products exported are *Capsicum* peppers, ginger root and several leafy herbs. Some imported tropical spices and seeds are also processed and re-exported. Canada, the European Union and Mexico are the major markets. *Capsicum* peppers and leafy herbs are expected to fuel most of the export growth well into the next century.

By Ernest Carter

U.S. spice and herb exports rose from 11,000 tons valued at \$26 million in 1989 to a record 21,000 tons valued at \$53 million in 1993. These statistics understate the true level of shipments, perhaps by as much as a third, because U.S. trade data combine many "leafy herbs" with certain other vegetable products and can not be individually identified.

One-third of U.S. exports currently consist of imported tropical spices and aromatic and baking seeds which are re-exported. As recently as 1989, these products made up 50 percent of total U.S. exports. However, their importance has fallen in recent years due to the rapid sales growth of U.S.-grown products, chiefly *Capsicum* pepper and leafy herbs. Mustard flour sales (\$6.3 million in 1993) have also risen sharply, but this product is mainly milled from imported Canadian seed. About 30 to 40 percent of total U.S. spice and herb exports are shipped to Canada. Another 15 to 20 percent of U.S. product is shipped to the EU, while Mexican purchases account for 10

percent. The Asian Pac-Rim countries account for another 15 percent.

## Adding Value to Tropical Spices and Seeds

The U.S. industry adds value to imported tropical spices and seeds by sorting, cleaning, processing and repackaging them for export. The major foreign markets are Canada and Mexico, but certain markets in Europe, the Middle East and East Asia are also important. Sales rose from \$12 million in 1989 to \$17 million in 1993. The major products shipped are black and white pepper (\$5-6 million) and cinnamon (\$2 million). Although value-added processing supports most of this trade, transportation logistics also play a role in certain cases.

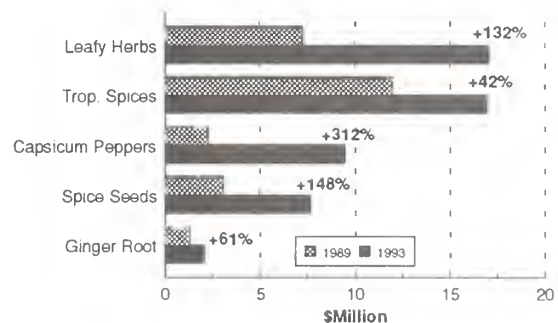
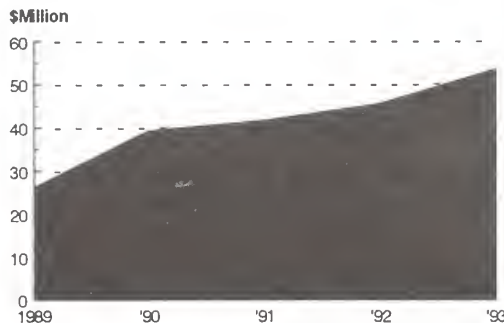
Economies of scale and strict quality control help ensure the regular supply of consistently high-quality product at competitive prices. Products are typically sold under brand names to buyers who demand strict quality standards for their customers in retail

For the purpose of this analysis, spices and herbs are limited to the following products: 1. Capsicum peppers, a genus which includes cayenne, chili, jalapeno, paprika, the bell peppers, and cherry and tomato peppers. 2. Tropical spices most prominent of which are black and white pepper (*Piper nigrum*), cinnamon and cassia, nutmeg and mace, vanilla, cloves, cardamom and turmeric. 3. Baking and aromatic seeds such as sesame, poppy, mustard (both seed and flour), anise, cumin and fennel. 4. "Leafy herbs" of herbaceous and woody-stemmed plants which encompass many dozens of plants.

markets, food service, and industrial manufacturing. Imported black and white pepper is ground and shipped to Canada, the EU, Mexico, South Korea and Japan. Indonesian and Sri Lankan cinnamon quills are re-exported in quill and powdered form to Canada and Mexico. Vanilla beans from Indonesia, Madagascar and the Comoros are processed into extracts and shipped to Canada, the EU, Brazil and Australia.

The established routes of major shipping lines and lower rates offered for large shipments passing through North American ports also influence trade patterns. This is especially true for shipments passing to and from Central America and the Caribbean. For example, although most nutmeg is imported from Indonesia, ground and then shipped to Canada, some whole nutmeg originating from Grenada is shipped to the United States, declared,

**U.S. Spice Exports Rise to Record \$53 Million**  
**"Leafy Herbs" and Capsicum Peppers Achieve Greatest Sales Growth**





# ...Spices and Herbs

## Spices Find a Variety of Uses

Spices and herbs are used in a tremendous range of products. Although many are used in home and restaurant meal preparation, they are also essential to the food and beverage industry as flavoring, coloring and preserving agents in processed products. In addition to their culinary value, spices and herbs are used extensively in the pharmaceutical industry. Some 60 percent of all drugs manufactured are either of natural origin or synthesized from plant-derived chemicals. The cosmetics industry is also a large buyer. Spices and herbs are used in perfumes, soaps and other toiletries.

and then re-exported to South America. Up until 1991, a portion of green Cardamom imported from Guatemala was re-exported to the Middle East where it is commonly used as a flavoring in coffee.

## The Capsicums Take Center Stage

Perhaps the most startling event for the U.S. spice industry in recent years is the rising popularity of *Capsicum* peppers. This genus contains a number of familiar species which include cayenne, chili, jalapeno, paprika, red and green bell peppers, and cherry and tomato peppers. With global production nearing four million tons (black and white pepper production equals 400,000 tons), it is well established in most of the world's traditional cuisines.

Capsicums have been commonly used in the Hispanic and Asian cuisines of North America for more than a century. However, their spread into mainstream cuisine throughout the United States and Canada is a recent phenomena. With the growing popularity of salsas, chili sauces (like Tabasco) and TexMex seasonings over the past two decades, sales have risen dramatically to the industrial, food service and retail sectors. Demand for these peppers is not limited to culinary uses. As with many other spices and herbs, these peppers are now receiving much attention from drug companies. Capsaicin, the active agent, is proven to ease the neuronal mechanisms of pain and reduce the symptoms of a range of afflictions, including psoriasis, arthritis

and contact allergy. Pepper cultivation in Texas, New Mexico, Arizona and California has grown in response to these new demands.

U.S. *Capsicum* pepper exports, which originate from both domestic and foreign grown plants, have increased four fold over the past five years. Rising from 1,000 tons valued at \$2.3 million in 1989 to 4,000 tons valued at \$9.5 million in 1993, they are now the largest of all U.S. spices and herbs exported. [These data include only dried product. Annual exports of fresh product now total \$50 million, and the export value of condiments that use large amounts of these peppers is much greater.] The major dehydrated items exported are chili powder and paprika with Canada and Mexico accounting for over 80 percent of U.S. sales.

## "Leafy Herbs" Offer Tremendous Growth Potential

In addition to the Capsicums, the "leafy herbs" are expected to drive most of the new sales growth well into the next century. Herbs come from an enormous assortment of plants which grow well in both Mediterranean and temperate climates. The West Coast has emerged as the major region of U.S. commercial production. Although specific trade data is lacking, interviews with the trade suggest that U.S. suppliers ship mostly those varieties which are common to North American cuisine. This would include bay, rosemary, thyme, basil, oregano, sage and dill. Their uses encompass an equally wide range of areas which are bound to grow

rapidly given the large investment in new product development.

Most commercialized plants are still marketed in dried form. However, large markets exist for fresh herbs, and new ones are developing rapidly for frozen and freeze-dried packaged products. Most of these new products target upscale consumers willing to pay extra for convenience and quality at the retail level. Freeze-dried herbs are mainly used in processed foods which demand the highest quality controls. Superb Farms in California, for example, ships freeze-dried herbs to France which are used in cheese manufacturing. Freeze-dried herbs can be stored for long periods then rehydrated to near fresh quality.

Growing consumer demand for "natural" and "organic" foods and cosmetics constitute other important growth areas. The development of new drugs is also opening up new sales opportunities. One area that is receiving especially large attention in Europe and now increasingly in North America is aromatherapy and phytotherapy, the use of medicines based on essential oils and parts of the whole plants. Demand is rising sharply for potted seedlings with medicinal and culinary uses which are grown both indoors and outdoors as part of a home landscaping plan. These new markets are large enough that some growers can now specialize in supplying them.

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# Trade Policy and Market Updates

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## **Nigeria Lifts Rice Import Prohibition**

The Government of Nigeria (GON) announced that it will lift its prohibition on rice imports, which have been banned since 1985, creating additional export opportunities for U.S. rice. However, at the same time, the GON also announced the imposition of 150-percent import tariff (apparently to increase government income), which will restrict trade to levels below their potential. Rice imports into Nigeria will remain viable, even with an import tariff, as internal rice prices are currently 200 percent above world levels. Prior to the lifting of the prohibition, Nigeria was expected to import about 400,000 tons of rice unofficially via neighboring countries in CY 1995. In years prior to the 1985 import ban, Nigeria imported over 600,000 tons of rice annually.

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## **EU Plans To Open Export Tenders for Finnish/Swedish Oats**

The European Union (EU) is expected to open an export tender for Finnish and Swedish oats. Although export refunds for oats are allowed under EU legislation, they have not been used for nearly 20 years since the EU is a deficit producer. However, the EU agreed to subsidize oat exports as part of the Accession of Finland and Sweden, which normally ship an annual exportable surplus of 500-700,000 tons to the United States, with subsidies of about \$200 per ton.

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## **Opportunity for U.S. Peanuts in Indonesia**

The Agricultural Counselor in Jakarta reports there is a strong growth market for peanuts in Indonesia. Some sources suggest Indonesia will be importing 1 million metric tons by 1998, up from a current level of 250,000 metric tons. Demand for peanuts is growing extremely fast, yet under current policies farmers prefer to grow other crops. In 1994, Indonesia's imports were predominantly from China and Vietnam. With China recently announcing a ban on exports of peanuts, the United States has a unique opportunity to make immediate sales in the market. Peanuts are eligible under the GSM-102 program. The National Peanut Council (NPC) has announced plans to send a trade team to Indonesia at the earliest possible date.

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## **California Raisins Dance Into Russia**

Exports of California raisins to Russia in FY 1994 topped \$575,000, up 25 fold over the previous fiscal year. Industry sources estimate sales will double again in FY 95. The Raisin Administrative Committee (RAC) had planned to participate in a major food show in St. Petersburg, SPAFE-95 in mid-January. The RAC has been researching the Russian market for many years and in 1994, decided to jump in. The RAC will set up a mini-bakery to produce raisin products and demonstrate the versatility of U.S. raisins to local bakers, technicians, and product buyers.

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## **India Subsidizes Wheat Exports**

India recently sold 50,000 tons of wheat to Dubai, at a price approximately \$30 below cost, to manage large wheat stocks held by the Food Corporation of India (FCI). The State Trading Corporation (STC), a semi-autonomous government agency, sold the wheat on behalf of FCI at a price of \$152 FOB. The costs to the government for procurement, transportation, and storage were approximately \$180 - \$185.

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## ...Trade Policy and Market Updates

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### **Australia to Allow Multi-Story Timber Frame Construction (MSTFC)**

Last October, the Australia Building Codes Board approved an Amendment to the Building Code of Australia (BCA) which allows MSTFC of up to three stories. Prior to this amendment, the BCA limited timber frame construction to two stories. Four story buildings are also allowed provided the lowest story is constructed from concrete or masonry and is used only as a parking garage or for other ancillary purposes. The States of Victoria and Western Australia approved this change last November; the rest of the States in Australia adopted the change this January. This change was the direct result of activities sponsored by the Western Wood Products Association under the TEA and MPP programs over the last four years. New residential and non-residential construction in Australia is valued at \$7.8 and \$5.4 billion, respectively. Opportunities to increase U.S. lumber exports exist in both of the above markets as a result of the code change. During the first 10 months of 1994, Australia imported 140,288 cubic meters of U.S. softwood lumber worth over \$38 million.

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### **Canada Determines Dumping Against U.S. Apple Imports**

On January 6, 1995, Revenue Canada announced its final determination that fresh U.S. Red Delicious and Golden Delicious apples were dumped into Canada following the elimination of previously imposed minimum import prices on February 7, 1994. Hearings were scheduled for January by the Canadian International Trade Tribunal (CITT) to decide whether Canadian apple producers have suffered or are likely to suffer economic injury as a result of dumping by the United States. On February 9, 1995, Revenue Canada will make a final decision on whether to uphold the finding of dumping or terminate the investigation. If the CITT finds no injury from the United States, all proceedings and minimum import prices will be eliminated. Conversely, if the CITT finds that Canadian producers are being injured, or are threatened with injury, new minimum import prices will be established. In the meantime, Revenue Canada will continue its October 1994 action which sets normal values for Red and Golden Delicious apples between US\$12.96 and US\$13.50 and an average margin of dumping of 22 percent. If U.S. F.O.B. export prices to Canada fall below these normal values, Revenue Canada will still collect the difference as a duty. Canada is a key market for U.S. apples, with the Red Delicious and Golden Delicious varieties accounting for the bulk of the trade. U.S. apple shipments to Canada in marketing year 1993/94 were valued at \$60 million, representing about 16 percent of total exports in that year, making Canada the United States' third largest export market.

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### **Taiwan Import Quota Auction for U.S. Potatoes Cancelled**

The American Institute in Taiwan (AIT) recently reported on the cancellation of an auction of import quotas for U.S. potatoes because only one importer posted a bid bond. Regulations of the Central Trust of China (CTC), Taiwan's official agent administering the quotas, require at least 3 companies to post a bid bond for the auction to proceed. CTC asserted that relatively high U.S. prices and importer unfamiliarity with U.S. potato specifications resulted in too few bid bonds being posted. However, the U.S. industry believes that the minimum lot size requirement of 520 tons (equal to at least 26 full container loads) was the major deterrent to buyers bringing in U.S. potatoes for the first time. U.S. exporters would prefer a minimum lot size of 10 tons (a 20 foot container) and an extension of the quota period beyond the current closing date of February 15 to give U.S. potatoes a fair chance of being accepted by importers, wholesalers and consumers on Taiwan.

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## ...Trade Policy and Market Updates

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### **Sri Lanka to Import Flour**

Sri Lanka experienced a surge in wheat flour consumption and consequent difficulty in maintaining desired stock levels due to government policies that have held the price artificially low. The country's sole mill has been operating at its full capacity, yet stocks fell critically low in mid-December. The Cabinet recently lifted the import ban on flour and a 30,000-ton tender was recently announced. This would represent Sri Lanka's first flour import since 1990/91. The first tranche would be for February delivery with India as a possible supplier due to its proximity. As long as consumer prices are kept low and demand stays high, additional flour tenders are anticipated.

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### **Chile Imposes Flour Import Duty**

Several countries neighboring Argentina have complained that low-priced Argentine flour is undermining regional market prices. Argentina apparently is able to sell below regional prices via a tax rebate mechanism on exports. Following the demarche that Chile sent to Argentina regarding flour prices, the Government of Chile imposed a 70- percent surcharge on imported flour, and implemented several other measures to protect domestic wheat producers and millers.

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### **Brazil Increases Wheat Import Duties**

Brazil recently announced increased wheat import tariffs valid through March 31, 1995. The new tariff structure is based upon the CIF price per ton, with wheat imported at CIF prices above \$185 per ton paying only a 10-percent duty. This duty increases to 20 percent if the CIF import price falls below \$110 per ton. By increasing tariffs, the Brazilian Government can provide relatively high protection to domestic wheat producers and Argentine trade interests during marketing of local wheat crops. This graduated tariff schedule for the next three months also appears to be an attempt to address pricing differences between nonMERCOSUL countries rather than applying an origin-specific means of protection. It is expected that after marketing of the domestic and Argentine crops in April, Brazil will return to a flat 10-percent import duty on wheat.

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### **U.S. Corn Exports Capturing Larger Share of East Asian Market**

The pieces are falling into place for the United States to ship record levels of corn to Indonesia in fiscal year 1995. Indonesian corn imports are expected to reach at least 1.2 million tons during this period, spurred by an expanding animal feed industry. The U.S. share of these imports is forecast to reach at least 750,000 tons as China, the traditional supplier, has dropped out of the market after December deliveries were completed and the other main competitor, South Africa, is facing a possible drought reduced crop in 1995. U.S. exports will also receive a boost from the port improvements scheduled to be completed in the East Asian region in 1995. Starting in February, Kuala Lumpur will have two facilities capable of off-loading Panamex vessels. The ability to use these larger vessels will greatly reduce shipping costs from the U.S. U.S. export commitments through December 29, 1994 are 333,200 tons to Indonesia, 99,300 tons to Malaysia, 2.9 million tons to Taiwan, 3.5 million tons to South Korea, and 9.1 million tons to Japan - - all above the previous year's levels.

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### **China Buys French Wheat**

French officials recently reported that China bought at least 500,000 tons of wheat from the EU, the first such purchase in almost two years. Prior to 1993, EU sales of wheat to China averaged over 1 million tons annually, but trade was halted in 1993 because of a Beijing protest over French military sales to Taiwan. Given Australia's wheat shortage and China's higher estimated needs, it is likely that China will source additional wheat purchases from the EU.

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## ...Trade Policy and Market Updates

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### **U.S. Sweet Cherry Exports Hit Record High in 1994**

U.S. sweet cherry exports reached their highest level ever in the 1994 season, climbing to almost \$130 million, an 18-percent increase over 1993. Sales to the two biggest Asian markets rose sharply. Japan, the biggest U.S. export market by far, saw an increase in shipments of 20 percent in value to \$92 million and 25 percent in volume to 15,514 tons. Increased shipments to Japan this year can be attributed to the extension of MPP activities to outside Tokyo, which expanded the market and gained wider distribution.

Also, continuous distribution throughout the California and the Pacific Northwest seasons allowed for continuous sales promotion of U.S. cherries. Exports to Taiwan, our second largest offshore market, jumped 73 percent in value to just over \$8 million and 42 percent in volume to 3,003 tons. MPP activities, particularly television advertisements, have been critical in expanding exports for the past three years by increasing distribution and consumer awareness. California production increased to about 3.9 million cartons in 1994, from approximately 1.5 million cartons in 1993. Northwest production remained constant at about 5 million boxes. However, the industry expects a jump in production in coming years.

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### **United States Becomes a Net Exporter of Dates**

U.S. date exports have surpassed imports for the past two marketing years, a new trend reflecting the industry's continued strength. The positive balance of trade reached \$10 million in marketing year September 1993 - August 1994. Export value was \$16 million, while export volume reached 6,556 tons, up 14 percent. Leading markets included France (1,972 tons, up 12 percent), Canada (1,263 tons, down 12 percent), Australia (745 tons, up 11 percent), and Switzerland (544 tons, up 69 percent). In comparison, U.S. imports dropped 4 percent to 5,334 tons in MY 1993/94, mostly pitted dates from Pakistan.

The United States is the 14th largest date producer, according to the Food and Agriculture Organization of the United Nations (FAO). Of 3.7 million tons of dates produced worldwide in 1992, Iran was the leading producer, with 635,000 tons. Next were Egypt (610,000 tons), Iraq (580,000 tons), Saudi Arabia (545,000 tons), and Pakistan (310,000 tons). USDA data indicate U.S. date production in 1993 (virtually all in California) was 20,885 tons. Only very limited market promotion activities have been carried out in recent years.

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### **World Vegetable Oil Demand to Continue Strong**

World imports of vegetable oil rose faster than consumption in importing countries in 1993/94 because of a need to rebuild stocks. The unusually strong oil demand started in the spring of 1994 and has continued through the end of the year, contributing to stronger oil prices in the fourth quarter of 1994. Several important traditional importers have been anxious to rebuild abnormally low stock levels caused by supply tightness the previous year. The 12 biggest global importers of all vegetable oils in order of importance are China, Pakistan, the United States, FSU, Egypt, Iran, Algeria, Bangladesh, India, Morocco, Venezuela and Nigeria. Main export destinations for U.S. soybean oil exports in 1994/95 are forecast to be Algeria, China and Iran. Total U.S. soybean oil exports are expected to reach 829,000 tons, up 21 percent from 1993/94.

# U.S. Exports of Agricultural, Fish & Wood Products to All Countries

Calendar Years 1989 to 1994 and Year-to-Date Comparisons

(Thousands of Dollars)

Product	Calendar Years					January - November		% Chg
	1989	1990	1991	1992	1993	1993	1994	
<b>Bulk Agricultural Total</b>	<b>22,813,257</b>	<b>20,232,083</b>	<b>18,348,386</b>	<b>19,887,248</b>	<b>18,593,458</b>	<b>18,721,813</b>	<b>16,588,603</b>	<b>-0.8</b>
Wheat	5,886,505	3,839,037	3,292,138	4,449,324	4,664,582	4,239,781	3,630,253	-14.4
Coarse Grains	7,738,137	7,038,717	5,722,597	5,736,599	5,000,598	4,496,908	4,128,613	-8.2
Rice	971,123	801,527	753,557	726,072	771,312	703,887	907,670	29.0
Soybeans	3,942,468	3,549,508	3,958,443	4,380,402	4,598,746	4,078,385	3,711,942	-9.0
Cotton	2,268,501	2,798,495	2,491,999	2,010,338	1,540,878	1,373,924	2,284,257	66.3
Tobacco	1,301,173	1,441,118	1,427,631	1,650,559 *	1,306,067	1,177,107	1,169,568	-0.6
Pulses	298,404	353,111	268,414	191,858	213,254	191,992	250,755	30.6
Peanuts	192,870	203,373	180,304	240,308	204,576	189,692	166,029	-12.5
Other Bulk Commodities	214,275	209,199	255,304	301,989	293,645	270,137	337,515	24.9
<b>Intermediate Agricultural Total</b>	<b>8,645,875</b>	<b>8,573,907</b>	<b>8,789,224</b>	<b>9,231,134 *</b>	<b>8,973,488</b>	<b>8,124,825</b>	<b>8,692,280</b>	<b>7.0</b>
Wheat Flour	257,937	182,958	184,256	184,317	205,729	195,400	193,112	-1.2
Soybean Meal	1,212,295	1,005,103	1,155,307	1,294,722	1,132,041	1,041,880	881,168	-17.3
Soybean Oil	358,723	312,930	222,128	378,202	383,897	311,593	435,091	39.6
Other Vegetable Oils	423,994	394,790	418,144	502,732	543,897	478,550	571,895 *	20.0
Feeds & Fodders (excl. pet foods)	1,596,995	1,572,389	1,605,732	1,722,327	1,744,183 *	1,590,698	1,567,949	-1.4
Live Animals	490,501	513,783	886,583 *	607,891	518,927	482,272	537,053	16.2
Hides & Skins	1,696,164	1,729,731	1,357,570	1,328,054	1,268,658	1,164,295	1,370,288	17.7
Animal Fats	510,153	428,729	428,824	515,214	501,702	447,598	523,799	17.0
Planting Seeds	510,214	588,723	871,855	875,011 *	819,359	541,053	548,028	1.3
Sugars, Sweeteners & Bever. Bases	409,198	572,052	634,101	573,921	567,807	515,972	595,410	15.4
Other Intermediate Products	1,179,702	1,272,743	1,428,948	1,452,744	1,507,288 *	1,377,337	1,488,491	8.1
<b>Consumer - Oriented Agricultural Total</b>	<b>8,379,789</b>	<b>10,485,815</b>	<b>11,967,920</b>	<b>13,895,994</b>	<b>14,911,318</b>	<b>13,557,024</b>	<b>15,378,516 *</b>	<b>13.4</b>
Snack Foods (excluding nuts)	364,429	530,125	833,040	829,679	1,024,843 *	919,652	1,014,207	10.3
Breakfast Cereals & Pancake Mix	91,881	157,882	218,802	219,782	252,993	234,354	267,560 *	14.2
Red Meats, Chilled/Frozen	2,213,802	2,394,495	2,660,287	3,112,381 *	3,055,222	2,803,329	3,084,954	10.0
Red Meats, Prepared/Preserved	100,838	135,998	185,101	181,582	220,038	192,593	226,368 *	17.5
Poultry Meat	509,426	872,888	817,913	928,484	1,100,813	970,984	1,398,911 *	43.9
Dairy Products	430,741	328,053	482,956	793,754	857,487 *	772,232	878,701	-12.4
Eggs & Products	90,885	101,979	143,387	139,234	139,438	127,158	151,159	18.9
Fresh Fruit	1,134,857	1,488,489	1,581,053	1,683,344	1,707,147	1,572,900	1,812,842 *	15.2
Fresh Vegetables	358,015	728,848	832,935	899,824	985,953 *	905,459	931,825	2.9
Processed Fruit & Vegetables	1,003,818	1,248,753	1,394,490	1,558,121	1,639,583 *	1,500,037	1,562,311	4.2
Fruit & Vegetable Juices	291,248	375,497	385,414	461,017	489,517	434,802	498,005 *	14.6
Tree Nuts	683,332	801,120	867,704	928,531	998,248	877,817	1,009,997 *	15.1
Wine and Beer	206,095	266,202	315,756	369,181	379,301	352,546	493,265 *	39.9
Nursery Products & Cut Flowers	104,887	186,741	201,442	201,321	209,397 *	195,056	179,979	-7.7
Pet Foods, Dog/Cat	175,539	244,038	329,772	399,630	497,821	448,316	529,721 *	18.7
Other Consumer - Oriented Products	822,997	808,708	979,907	1,190,410	1,374,118	1,251,990	1,542,914 *	23.2
<b>Wood Products Total</b>	<b>8,013,514</b>	<b>6,481,227</b>	<b>6,429,179</b>	<b>8,741,685</b>	<b>7,281,313 *</b>	<b>6,694,053</b>	<b>8,435,529</b>	<b>-3.9</b>
Logs	2,368,026	2,388,921	2,074,432	2,140,010	2,489,580 *	2,302,880	2,099,107	-8.8
Lumber	2,040,251	2,127,895	2,203,353	2,322,491	2,449,843 *	2,257,078	2,225,838	-1.4
Plywood & Panel Products	642,703	769,983	735,227	847,887	906,397 *	813,943	848,920	4.3
Other Wood Products	962,534	1,194,428	1,416,187	1,431,317	1,435,714 *	1,320,153	1,261,683	-4.4
<b>Fish &amp; Seafood Products Total (Edible)</b>	<b>2,283,151</b>	<b>2,778,759</b>	<b>3,035,383</b>	<b>3,353,935 *</b>	<b>2,959,086</b>	<b>2,809,002</b>	<b>2,829,793</b>	<b>0.7</b>
Salmon, Whole/Eviscerated	729,294	666,582	436,975	681,663	583,080	578,469	508,672	-11.8
Salmon, Canned	89,744	104,278	133,644	154,401	160,418 *	149,874	143,073	-4.5
Crab & Crabmeat	253,874	383,251	431,411	448,050 *	417,660	385,269	324,604	-15.7
Surimi (fish paste)	N/A	N/A	N/A	367,827 *	274,322	287,289	308,180	15.3
Roe & Urchin	283,246	289,458	389,031	421,398 *	415,319	390,558	380,618	-2.5
Other Edible Fish & Seafood Products	947,192	1,353,193	1,644,322 *	1,280,796	1,108,309	1,039,545	1,164,888	12.0
<b>Agricultural Product Total</b>	<b>39,838,921</b>	<b>39,271,605</b>	<b>39,105,530</b>	<b>42,814,378</b>	<b>42,478,240</b>	<b>38,403,462</b>	<b>40,657,399</b>	<b>5.9</b>
<b>Agricultural, Fish &amp; Wood Product Total</b>	<b>48,135,586</b>	<b>48,529,591</b>	<b>48,570,092</b>	<b>52,909,996 *</b>	<b>52,718,839</b>	<b>47,906,517</b>	<b>49,922,721</b>	<b>4.2</b>

Note: (\*) Highest export level since at least 1970.

N/A = not available.

Source: Trade & Marketing Analysis Branch, TEAD/ITP/FAS



# U.S. Agricultural, Fish & Wood Product Exports by Major Commodity Group

## Monthly and Annual Performance Indicators

Export Values	November			October – November			Fiscal Year		
	1993	1994		FY '94	FY '95		1994	1995(f)	
	–\$Billion–		Chg	–\$Billion–		Chg	–\$Billion–		Chg
Grains and Feeds 1/	1.243	1.432	15%	2.476	2.708	9%	13.413	13.6	1%
Wheat & Flour	0.408	0.432	6%	0.777	0.808	4%	4.228	4.6	9%
Rice	0.063	0.108	71%	0.141	0.225	60%	0.891	0.8	–10%
Coarse Grains 2/	0.452	0.556	23%	0.909	0.973	7%	4.569	4.9	7%
Corn	0.412	0.484	17%	0.819	0.838	2%	3.817	4.2	10%
Feeds & Fodders	0.191	0.201	6%	0.392	0.417	6%	2.277	2.0	–12%
Oilseeds and Products	0.766	0.823	7%	1.525	1.692	11%	6.975	7.2	3%
Soybeans	0.482	0.457	–5%	0.969	1.040	7%	4.161	4.4	6%
Soybean Cakes & Meals	0.141	0.099	–29%	0.240	0.178	–26%	1.013	0.9	–11%
Soybean Oil	0.025	0.087	244%	0.075	0.130	72%	0.433	0.5	16%
Other Vegetable Oils	0.045	0.062	39%	0.095	0.127	33%	0.608	NA	NA
Livestock Products	0.550	0.687	25%	1.053	1.325	26%	6.320	6.5	3%
Red Meats	0.257	0.336	31%	0.508	0.656	29%	3.206	3.4	6%
Hides, Skins & Furs	0.099	0.121	22%	0.197	0.249	26%	1.423	1.5	5%
Poultry Products	0.124	0.191	54%	0.261	0.379	45%	1.720	1.8	5%
Poultry Meat	0.097	0.157	62%	0.208	0.313	51%	1.383	NA	NA
Dairy Products	0.086	0.064	–25%	0.156	0.125	–20%	0.832	0.8	–4%
Unmanufactured Tobacco	0.108	0.142	31%	0.192	0.230	20%	1.260	1.3	3%
Cotton and Linters	0.116	0.243	110%	0.218	0.362	66%	2.306	2.5	8%
Planting Seeds	0.062	0.054	–12%	0.104	0.115	11%	0.619	0.6	–3%
Horticultural Products	0.664	0.846	27%	1.417	1.719	21%	8.098	8.6	6%
Sugar & Tropical Products	0.175	0.170	–3%	0.355	0.360	1%	1.928	2.1	9%
Wood Products 4/	0.553	0.617	12%	1.126	1.203	7%	6.946	NA	NA
Fish and Seafood Products 4/	0.192	0.206	7%	0.422	0.489	16%	2.912	NA	NA
<b>Total Agriculture</b>	<b>3.894</b>	<b>4.653</b>	<b>19%</b>	<b>7.756</b>	<b>9.014</b>	<b>16%</b>	<b>43.474</b>	<b>45.0</b>	<b>4%</b>
<b>Total Ag., Fish &amp; Wood</b>	<b>4.639</b>	<b>5.475</b>	<b>18%</b>	<b>9.304</b>	<b>10.706</b>	<b>15%</b>	<b>53.333</b>	<b>NA</b>	<b>NA</b>

Export Volumes	--MMT--			--MMT--			--MMT--		
			Chg						Chg
Grains and Feeds 1/	8.635	10.233	19%	17.316	18.991	10%	88.581	NA	NA
Wheat	3.066	2.927	–5%	5.802	5.688	–2%	31.132	32.0	3%
Wheat Flour	0.065	0.089	37%	0.139	0.151	8%	1.037	1.0	–4%
Rice	0.211	0.425	101%	0.506	0.854	69%	2.438	2.7	11%
Coarse Grains 2/	4.072	5.641	39%	8.412	9.806	17%	39.845	48.4	21%
Corn	3.677	4.914	34%	7.521	8.455	12%	33.057	41.5	26%
Feeds & Fodders	1.007	0.930	–8%	2.036	2.043	0%	11.797	12.2	3%
Oilseeds and Products	2.878	3.136	9%	5.678	6.645	17%	24.154	29.9	24%
Soybeans	1.969	2.136	8%	3.973	4.854	22%	16.364	21.0	28%
Soybean Cakes & Meals	0.645	0.534	–17%	1.133	0.963	–15%	4.859	5.4	11%
Soybean Oil	0.040	0.138	242%	0.127	0.208	64%	0.694	0.8	15%
Other Vegetable Oils	0.069	0.086	24%	0.147	0.177	21%	0.849	NA	NA
Livestock Products 3/	0.219	0.331	52%	0.474	0.616	30%	2.957	NA	NA
Red Meats	0.077	0.105	35%	0.153	0.206	35%	1.025	1.1	7%
Poultry Products 3/	0.100	0.154	54%	0.215	0.318	48%	1.405	NA	NA
Poultry Meat	0.096	0.149	55%	0.209	0.309	48%	1.364	1.5	10%
Dairy Products 3/	0.044	0.046	2%	0.399	0.467	17%	0.467	NA	NA
Unmanufactured Tobacco	0.016	0.022	35%	0.032	0.034	5%	0.196	NA	NA
Cotton & Linters	0.090	0.163	82%	0.169	0.244	44%	1.639	1.6	–2%
Planting Seeds	0.038	0.037	–2%	0.055	0.079	45%	0.498	NA	NA
Horticultural Products 3/	0.587	0.732	25%	1.249	1.487	19%	6.826	7.4	8%
Sugar & Tropical Products 3/	0.107	0.094	–12%	1.102	0.910	–17%	0.910	NA	NA
<b>Total Agriculture 3/</b>	<b>12.713</b>	<b>14.946</b>	<b>18%</b>	<b>26.688</b>	<b>29.790</b>	<b>12%</b>	<b>127.414</b>	<b>144.1</b>	<b>13%</b>

Notes: 1/ Includes pulses, corn gluten feed and meal; 2/ includes corn, oats, barley, rye and sorghum;

3/ includes only those items measured in metric tons; 4/ items not included in agricultural product totals.

FY 1995 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published November 29, 1994.

**U.S. Agricultural Export Value by Region**  
**Monthly and Annual Performance Indicators**

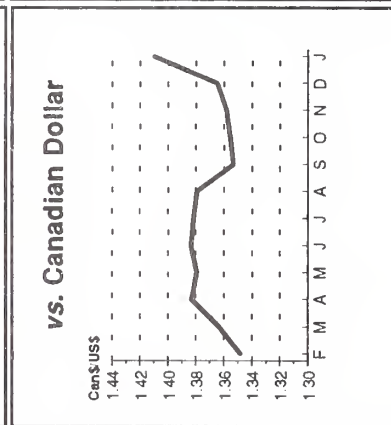
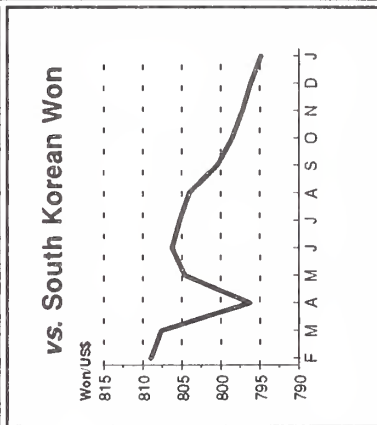
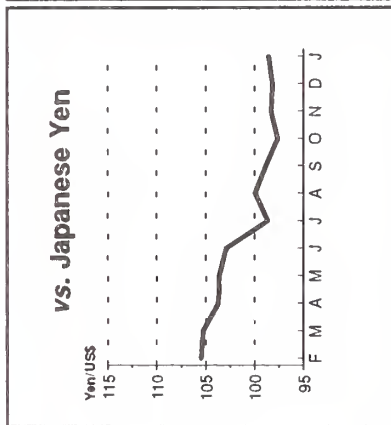
	November			October – November			Fiscal Year		
	1993	1994	Change	FY '94	FY '95	Change	1994	1995(f)	Change
	–\$Billion–			–\$Billion–			–\$Billion–		
<b>Western Europe</b>	0.772	0.775	0%	1.540	1.664	8%	7.013	7.3	4%
European Union 1/	0.728	0.681	–6%	1.445	1.504	4%	6.497	6.8	5%
Other Western Europe	0.045	0.094	112%	0.094	0.159	69%	0.516	0.5	–3%
<b>Central &amp; Eastern Europe</b>	0.037	0.042	13%	0.078	0.075	–4%	0.311	0.4	29%
<b>Former Soviet Union</b>	0.272	0.091	–67%	0.518	0.196	–62%	1.474	1.5	2%
<b>Asia</b>	1.426	1.858	30%	2.797	3.454	23%	17.671	18.4	4%
Japan	0.766	0.848	11%	1.551	1.659	7%	9.193	9.2	0%
China	0.050	0.070	41%	0.073	0.125	72%	0.877	1.1	25%
Other East Asia	0.416	0.636	53%	0.799	1.146	43%	5.261	5.6	6%
Taiwan	0.192	0.251	30%	0.348	0.423	21%	2.103	2.2	5%
South Korea	0.140	0.256	83%	0.276	0.473	72%	2.055	2.2	7%
Hong Kong	0.083	0.126	51%	0.174	0.247	42%	1.101	1.2	9%
Other Asia	0.195	0.304	56%	0.374	0.524	40%	2.340	2.5	7%
Pakistan	0.021	0.043	106%	0.038	0.067	75%	0.212	0.2	–6%
Philippines	0.056	0.065	17%	0.105	0.108	3%	0.554	0.6	8%
<b>Middle East</b>	0.162	0.253	56%	0.385	0.411	7%	1.650	1.7	3%
Israel	0.009	0.044	406%	0.057	0.077	35%	0.346	0.4	16%
Saudi Arabia	0.053	0.050	–5%	0.115	0.087	–24%	0.470	0.5	6%
<b>Africa</b>	0.146	0.245	68%	0.312	0.501	60%	2.159	2.2	2%
North Africa	0.098	0.190	93%	0.172	0.362	111%	1.438	1.5	4%
Egypt	0.018	0.126	614%	0.052	0.231	342%	0.598	0.8	34%
Algeria	0.053	0.041	–23%	0.071	0.080	13%	0.592	0.6	1%
Sub-Saharan Africa	0.048	0.056	16%	0.141	0.139	–1%	0.721	0.7	–3%
<b>Latin America</b>	0.522	0.777	49%	1.046	1.513	45%	7.228	7.6	5%
Mexico	0.241	0.372	54%	0.466	0.743	60%	4.126	4.4	7%
Other Latin America	0.281	0.405	44%	0.581	0.770	33%	3.103	3.2	3%
Brazil	0.012	0.128	991%	0.039	0.210	435%	0.227	0.4	76%
Venezuela	0.043	0.036	–17%	0.081	0.060	–26%	0.401	0.4	–0%
<b>Canada</b>	0.455	0.519	14%	0.890	0.991	11%	5.248	5.4	3%
<b>Oceania</b>	0.042	0.056	33%	0.088	0.107	22%	0.497	0.5	1%
<b>World Total</b>	3.894	4.653	19%	7.756	9.014	16%	43.474	45.0	4%

Note: 1/ Formerly known as the European Community (EC–12).

FY 1995 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published November 29, 1994.

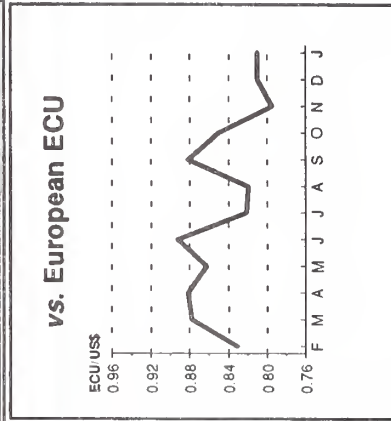
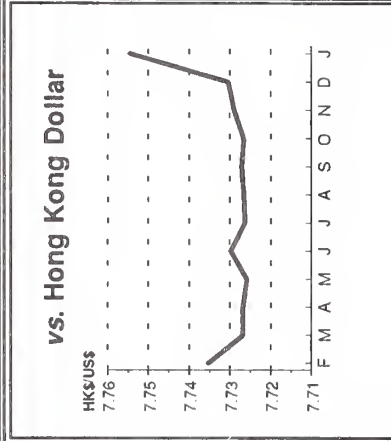
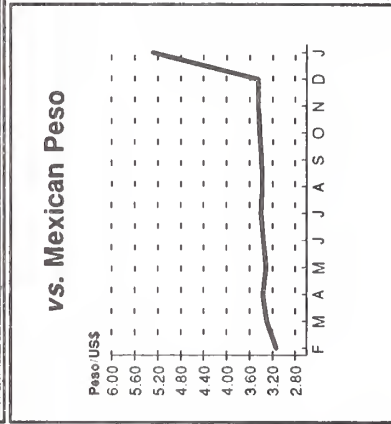
# Value Of U.S. Dollar Against Major World Currencies

## Daily Spot Quotations & Monthly Averages



Currencies	Current Rate 1/13/95	Month Ago 12/13/94	Year Ago 1/94	% Change Year Ago 1/94
Argentine Peso	1.00	.99	.99	1.01
Australian Dollar	1.3214	1.2898	1.4843	-8.71
Brazilian Cruzeiro real	.85	.84	.37	129.73
Canadian Dollar	1.4098	1.3872	1.3388	6.64
Hong Kong Dollar	7.7545	7.7400	7.7245	0.36
Japanese Yen	98.55	100.19	109.39	-11.77
Mexican Peso	5.2800	3.4505	3.1130	70.19
Taiwan Dollar	26.32	26.40	26.56	-0.30
South Korean Won	794.80	792.55	809.90	-2.03
European ECU	.80965	.82440	.88786	-10.21
-British Pound	.6378	.6410	.6721	-4.46
-French Franc	5.2953	5.4123	5.8616	-10.82
-German Mark	1.5333	1.5710	1.7149	-12.42

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, January 13, 1995.  
Source: TEAD/ITP/FAS Exchange Rate Database and Wall Street Journal.





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